

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

76FO
112

FOREIGN AGRICULTURE



March 24, 1969

U. S. DEPT. OF AGRICULTURE
NATIONAL AGRICULTURAL LIBRARY

APR 17 1969

CURRENT SERIAL RECORDS

Rye—a Casualty Of Today's Affluent Society

Foreign
Agricultural
Service
U.S. DEPARTMENT
OF AGRICULTURE

In this issue:

- 2 Rye—A Casualty of Our Affluent Society
- 5 Italy Has Bumper Crop of Orange Problems
By James K. Freckmann
- 6 Hong Kong's Perpetual Lifeline: Farm Imports
- 7 New Adana Plain Development
Irish Milk Levy Increased
- 8 Top U.S. Farm Export Markets Since 1955
By Susan A. Libbin
- 11 WA, FAS Sponsor Trainees From Asia
Food for Great Open Spaces at Green Week
- 12 Crops and Markets Shorts
- 16 Rays of Hope for Declining Philippine Abaca Industry

This week's cover:

Poland is one of the world's biggest producers and consumers of rye (see story beginning this page). Private Polish farmers at top and center harvest rye; bottom, threshing rye on a collective farm.

Clifford M. Hardin, Secretary of Agriculture
Clarence D. Palmby, Assistant Secretary for International Affairs
Raymond A. Ioanes, Administrator, Foreign Agricultural Service

Editorial Staff:

Editor: Alice Fray Nelson; Associate Editors: Janet F. Beal and Elma E. Van Horn; Assistant Editors: Beverly J. Horsley, Faith N. Payne, Mary A. Nicolini, Marcia Sutherland.

Advisory Board:

W. A. Minor, Chairman; Horace J. Davis, Anthony R. DeFelice, James A. Hutchins, Jr., Kenneth K. Krogh, Robert O. Link, Kenneth W. Olson, Donald M. Rubel, Dorothy R. Rush, Raymond E. Vickery, Quentin M. West.

Use of funds for printing *Foreign Agriculture* has been approved by the Director of the Bureau of the Budget (June 15, 1964). Yearly subscription rate, \$10.00 domestic, \$13.00 foreign; single copies 20 cents. Order from Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

Contents of this magazine may be reprinted freely. Use of commercial and trade names does not imply approval or constitute endorsement by USDA or Foreign Agricultural Service.

Rye—A Casualty of

Few products have experienced such a fall in importance as rye. Once the most common breadgrain in northern and central Europe and an important staple of our Founding Fathers, rye today has been relegated to the position of feed-grain or forage crop in many countries, and its production and trade are only fractions of past levels.

A young product compared with wheat and other grains, rye is believed to have originated in southwest Asia or southern Russia and to have spread westward across the Balkan Peninsula into European countries. The early Egyptians and cave dwellers apparently were not familiar with rye, but by the time of ancient Rome it had come on the scene as a breadgrain—for the black or pumpernickel bread it has long been used in—and probably also as an animal feed.

But even in those early days, rye was surrounded by prejudices. Persians and Afghans reportedly considered it a noxious weed, difficult to control, and Theophrastus—a Roman naturalist of the third or fourth century, B.C.—thought that wheat grown on poor soils turned into rye. Here, perhaps, was the beginning of rye's long-standing reputation as the poor man's breadgrain.

Poor people, though, were numerous in those and subsequent years, and rye for centuries was the primary breadgrain in Europe. At the end of the 17th century, this crop still dominated in Eastern Europe, Russia, Germany, the Low Countries, and Scandinavia; even in England, it probably accounted for some 40 percent of breadgrain production. In the New World, too, citizens made use of it in bread—like the blend of rye flour and cornmeal called rye'n Injun—and coined such sayings as "Brown bread and the gospel is good fare."

But as more years passed, the grain product steadily lost ground. By 1918, world rye production was only about half that of wheat, and today it is just slightly more than 10 percent of wheat output.

Rye trade has followed a more erratic, but nonetheless downward, course. Several centuries ago, it probably rivaled wheat trade; today, it is equal to less than 1 percent of wheat exports, totaling only about 400,000 metric tons. A sign of the current low status of world rye trade is the fact that U.S. exports in their peak year—1922—were about triple the level for total world shipments today.

Eating habits change

Changes in food preferences were partly responsible for rye's falling off—especially in the Teutonic and Slavic nations—where rye bread was for many years actually preferred to wheat—but affluence, too, played an important role. Clinging to the ancient belief that rye bread is an inferior product because of its dark color and its compactness, many people elsewhere switched to wheat as their incomes increased. Also, as time went by, the price difference between the two breads was narrowed or erased in many countries. And in some like the United States, mass production turned wheat bread into the cheap staple of the masses, while rye bread—far from being the product of the poor—became the more expensive, gourmet item.

ur Affluent Society

So far down the ladder has rye come that it now holds the smallest share of world feedgrain consumption and the next smallest after oats in foodgrain consumption.

A closer look at some of the major rye producing and consuming countries will reveal the extent of this fall.

The Soviet Union

Far the largest producer and exporter of rye is the Soviet Union, which also may have been the birthplace of this grain: the famous Russian plant breeder, Vavilov, believed that the Transcaucasus, with its many varieties of domesticated and wild rye, was one of the first producers; he also theorized that production started simultaneously in several other areas, including Afghanistan, Persia, and Asia Minor. The crop,

which is better adapted than wheat and other grains to cold regions and marginal lands, found great acceptance in northern and central USSR, where it still is grown extensively.

Acreage in the country has fluctuated sharply over the years, reaching its modern-day peak of about 72 million acres in the 1945-49 period. Drought and problems stemming from World War II kept actual production from rising by a similar amount, but in any case, rye area at that time was not far under wheat area.

Even before the late 1940's, however, government policy had begun to favor wheat over rye—a preference that had a dramatic effect on acreage and production in subsequent years. By 1955, rye area was down to about 10 percent of total cultivated area, compared with wheat's 32 percent, and it continued to fall through the 1960's. In 1968, it totaled a mere 30 million acres—25 percent below the 1960-64 average and less than one-third the 1945-49 level.

Improved national yields, averaging 15.9 bushels per acre in 1968 compared with 13.0 in 1960-64, have partly made up for the acreage decline, but still—as the chart at left shows—the Soviet Union has seen a 3.5-million-ton decline in rye output over the last 11 years.

Exports, too, have followed a downward path, and the Soviet Union, which once accounted for around 60 percent of trade, had less than 15 percent in 1968.

The Soviet Union's rye production has been influenced over the years by some of the world's most noted plant scientists. One of these was N. I. Vavilov, who in the 1920's instituted a research program that was to amass one of the world's most extensive collections of rye plants. Vavilov sought maximum performance from local varieties and supplemented those varieties with imported ones. In search of the latter, he led many botanical expeditions to rye producing areas of the world, and he developed several conclusions about the origin of rye. Among these was the theory that today's varieties originated from primitive ryes that had grown as weeds in wheat and barley fields.

Vavilov's work was carried on by V. I. Antropov and V. Antropov, and to some extent by A. A. Krasniuk. But this latter breeder and his counterparts worked under a man by the name of Lysenko, whose cry for "results" led to the discrediting of Vavilov (he died in exile) and to a virtual abandonment of scientific procedures in the breeding of rye.

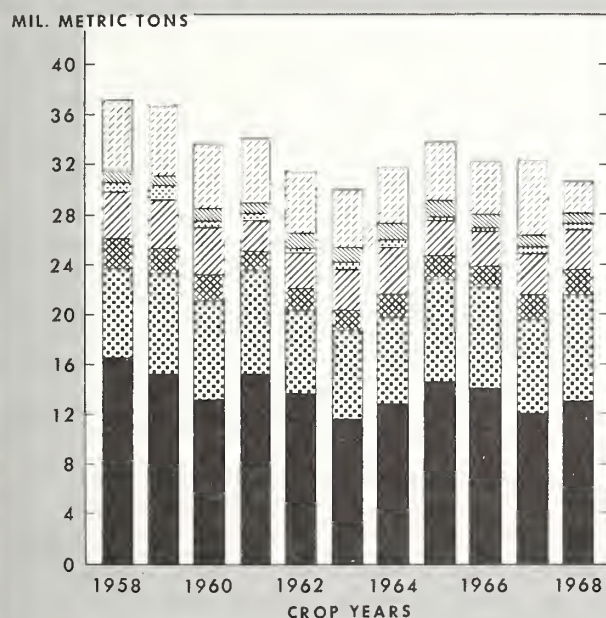
Under Lysenko, whose influence was pronounced during the Stalin era, much of the USSR's large collection of rye plants was probably lost, and only one new improved variety—Volva—was developed.

Eastern Europe and West Germany

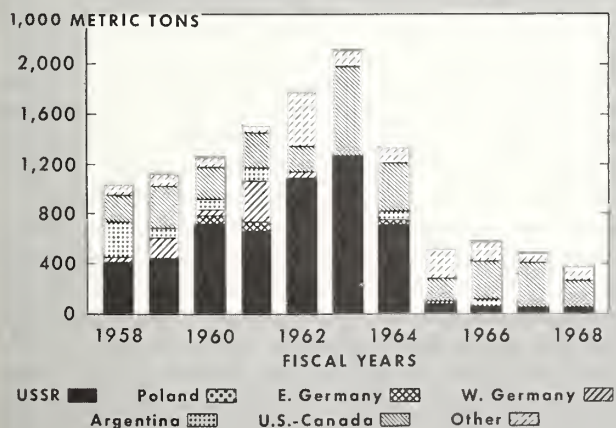
The world's second largest producer of rye, Poland has also seen its area devoted to the cereal decline in recent years. Still, this is one of the few countries where rye's acreage exceeds wheat's—currently by about 230 percent—and where domestic consumption of rye is unusually high. In fact, although Poland's output is a large 8.6 million tons—almost nine times the level of production in the United States and Canada combined—the country usually has little if any rye available for export.

East Germany is another country where the traditional liking for rye still prevails, and rye's area here also exceeds wheat's. This country is usually the fourth largest producer of rye, behind the USSR, Poland and West Germany. Czechoslovakia is the other East European rye producer of note,

11 YEARS OF RYE PRODUCTION



11 YEARS OF RYE EXPORTS



while Romania in recent years has been the area's top exporter.

West Germany continues also to grow and consume large quantities of rye and counts as its most popular breads those using blends of rye and wheat flour. But even here, the trend is toward using the product as an animal feed rather than a foodgrain. This is seen in consumption figures for 1961-62/1963-64 which show 1.4 million tons used as food and 1.7 million as feed.

West Germany's production of rye in 1968 totaled 3.2 million tons, whereas exports were less than 5,000 tons—a far cry from its peak export for the decade of 325,000 tons in fiscal 1961.

Looking back, Germany was one of the last West European countries to switch its area from rye to wheat. As late as the 1880's, rye area here was three times that for wheat, and about 70 percent of the flour used in bread was rye. As might be expected, the country also produced some of Europe's notable rye breeders and varieties. W. Rimpau was one of the pioneers in European rye selection, developing a variety called Schlanstedter, which was for many years the leading rye grown in Europe. A later breeder, F. von Lochow produced the Petkus variety—also a leading European rye.

Other West European countries

A similar history is seen in the other West European countries, where rye was the bread of the masses for centuries. In England, diaries of gentlefolk of the 17th and 16th centuries indicate that rye bread was the staple on all but the most festive occasions; here, it was often grown in combination with wheat for a mixture called maslin. In France, it predominated until the French Civil War.

Prior to the 20th century the Flemish also considered rye their mainstay, and so did the Scandinavians. Sweden, for instance, produced four times as much rye as wheat at the beginning of the 12th century, about the same amount in 1948, and four times as much wheat as rye in 1968. In Finland, much the same story is true, although consumption is still bolstered by the ancient belief that the Finns' strength comes from eating black bread.

Highest yields today are achieved in Europe, with the efficient farmers of Denmark and the Netherlands producing over 50 bushels per acre, compared with the 1968 average yield for all nations of 23 bushels. European countries, too, are the major importers, accounting for about 90 percent of such trade.

The United States

The United States has experienced sharp ups and downs in its rye production and trade over the years, but the long-term trend has been downward and will probably continue so in coming years.

English and Dutch settlers introduced rye to this country, and later immigrants from Germany and Sweden brought with them a preference for it. In the early days, taxes for some States could be paid in rye, and written accounts underline the product's early importance. William Cobbett, for instance, wrote in his *Cottage Economy*, "Few people upon the face of the earth live better than the Long Islanders. Yet nine families out of ten seldom eat wheaten bread. Rye is the flour that they principally make use of."

Nonetheless, the prejudices that hindered rye's use in Old World also contributed to its decline in the New World.

Wheat was the status bread, and so as time went on and prosperity spread, its use eclipsed that of rye. As an animal feed, rye also suffered from its tendency to pick up the disease ergot, which is toxic to animals, and from the better feeding value and higher yields of most other grains.

Despite these underlying problems, rye in the United States enjoyed several boom periods, associated mainly with sales opportunities abroad. The most dramatic of these started just before World War I and continued during and after it when importers were cut off from major European exporters. Western Hemisphere producers moved quickly to fill this gap, and the United States started on a production binge that was to lead to a tripling of output in 10 years. The peak was reached in 1922, when 2.6 million tons (101 million bushels) of rye were produced.

The government encouraged this expansion, especially in northern States where it was difficult at that time to produce wheat. The Cotton Belt also received much attention since rye was useful there as a forage and cover crop.

Contributing to expansion was the discovery of a seeming wonder variety called Rosen, which had been sent to a Michigan plant breeder by a Russian graduate of the Michigan Agricultural College. This variety produced yields of 35-40 bushels per acre—high even for today and double yields then obtained from conventional varieties. By 1917, Michigan had 250,000 acres in Rosen, and other States were also planting it in great quantity. But impure stock eventually erased the variety's identity, and it ended up no better than others.

Rye production suffered a similar fate. After reaching its high of 2.6 million tons in 1922, it dropped to half that level in the next year, beginning a long-term decline.

During the boom years, the United States had been shipping out up to two-thirds of the crop each year, with the peak of 1.3 million tons achieved in 1921. By the late 1920's, however, sales had fallen sharply, and by 1930, when less than 6,000 tons were shipped out, the era of heavy rye exports had come to an end. In subsequent years, there was some recovery, but never again were exports to approach the high levels of the 1920's.

Paradoxically, one of the United States biggest export years since the 1920's came not too long ago—in fiscal 1963—when it shipped out 524,600 tons of rye. (This followed a big crop year when acreage expanded 28 percent as allotments for wheat were cut back sharply.) After that, sales again dropped sharply and have given no indications yet of turning back up.

Other Western Hemisphere producers

Argentina has been another outstanding producer and exporter in this Hemisphere. Its production, however, has followed a very irregular path in recent years, sometimes totaling more than U.S. and Canadian output together and other times totaling less than a third of that output. Argentine trade naturally reflects these irregularities, and in the last few years that nation has all but left the export picture.

The final rye grower of note is Canada, which produces about 300,000 tons yearly and exports up to two-thirds of its crop. Trends in that country follow closely those in the United States. It is somewhat of a paradox that although these two nations together accounted for less than 3 percent of world rye production in fiscal 1968 they held about 60 percent of rye exports—an indication of how far away the North American consumer has gotten from his ancestor's belief that rye bread is "good fare."

—B.H.

Italy Has Bumper Crop of Orange Problems

By JAMES K. FRECKMANN
Assistant U.S. Agricultural Attaché
Rome

Strikes, riots, train stoppages, and general unrest have marked this orange season in Italy.

A crop estimated at 1.35 million metric tons—nearly 10 percent greater than last year's and 25 percent above the average of the past 5 years—has forced prices down. On top of this the average quality of fruit is below normal, especially for size. At the end of January there was an estimated 750,000 metric tons of oranges still on the trees, a much greater amount than a year earlier.

Because of the depressed market, producers demonstrated against the government during January and into February, dumping oranges in the main streets of Catania and blocking roads and railways in the Catania and Naples areas; more producer riots have taken place recently.

Orange prices, though considered unsatisfactory by the growers, have not fallen below the EEC intervention price. Therefore no action via this channel has been initiated.

The EEC fruit regulation (CAP) foresees two types of market-intervention situations. The first is one of slightly depressed prices in which growers' associations may intervene by withdrawing the surplus from the market. The second is one in which prices keep falling until they reach the EEC intervention price, at which point the national government may through appointed agencies intervene and withdraw some of the product from the market; the product withdrawn may either be destroyed or be distributed free to institutions or to needy families.

In Italy, growers' associations have not yet been created. Consequently, only governmental action is possible.

Market intervention in Sicily

This year, for the first time, the Sicilian Regional Government—under mounting grower pressure—decided to take action before prices fell to the intervention price level; Sicily accounts for about two-thirds of Italian orange production.

The SACOS chain of packinghouses, financially backed by the regional government, began purchases in bulk of good-

quality citrus fruits early in February. Prices paid per pound were about: 6 cents for Tarocco oranges; 5.7 cents for Moro oranges; 5.2 cents for Sanguinello oranges; 3.6 cents for Biondo oranges; 3.2 cents for lemons for processing. Although up to 200 metric tons will be purchased if necessary, only small purchases have been made to date. The market has reacted favorably, and prices have remained near the purchase level.

This action, of course, is valid only for Sicilian produce. As a result of it, however, the growers of Fondi, an area of the Latium Region that produces about 40,000 metric tons of Biondo oranges annually, recently rioted and blocked trains to draw the Federal Government's attention to their price problem and their hope that the Sicilian solution would be applied to them.

Disposition of future surpluses

How the Italians will dispose of the recurring orange surpluses is a good question. Although annual per capita consumption is fairly high—about 46 pounds for oranges and tangerines together—consumption is primarily concentrated in the citrus areas and large cities; consumption is small in the rural areas, which have 25 percent of the population but low purchasing power.

There is talk of expanding exports to third countries, especially Eastern Bloc countries; the Sicilian Government intends to earmark the equivalent of some US\$7 million to subsidize exports to Eastern Bloc markets. It is also hoped that large quantities can be diverted into juice processing. If so, from previous experience with the poor juice-type oranges grown in Italy, large sums of money will be spent for a product that probably has little consumer appeal.

The Sicilian export trade is not too happy about these plans and current solutions. According to this group, some of Sicily's subsidized citrus has already been diverted to traditional markets in northern Europe. Furthermore, the purchasing power currently given to SACOS is endangering the bargaining position of the traditional broker-exporter with the producers, forcing them to pay as much as or more than SACOS. As a result, some of the trade is planning to sue the Sicilian Govern-

A Later Development

The article above was sent from Italy on February 18. On the same day, according to accounts in the European press, the Council of Ministers of the European Communities in Brussels agreed with an Italian request for a *special* intervention in the orange market.

The substance of these reports:

AIMA, the Italian market intervention agency, has been authorized until March 31 to purchase unlimited amounts of oranges of second and third qualities of all varieties except Moro and Tarocco, for which the Sicilian Government has already intervened. The quantities acquired in this manner will be distributed, in either fresh or processed form, to charities and those eligible for public assistance.

Authorized purchase prices range from 1.1 cents to 3.5 cents per pound, the price varying with variety and quality.

All transportation, processing, storing, and distribution expenses connected with purchases will be reimbursed through the European Agricultural Guidance and Guarantee Fund. This marks the first time the fund has been used at the processing level.

Furthermore, a subsidy of about 1.5 cents per pound of fresh oranges will be paid for exports to third countries regardless of variety or quality standards. This subsidy will decrease to 1.1 cents per pound on April 1. Although the subsidy has no strings attached, the normally poor quality of the second and third grades will restrict their export potential and divert them primarily to the processing industry. In addition, Italian law prohibits the export of third-quality oranges. Finally, the Italian Ministry of Agriculture announced recently that the USSR has offered to purchase up to 100,000 metric tons of oranges at a price to be negotiated.

—Based on dispatch from JAMES K. FRECKMANN

ment to stop its financing of SACOS purchases, which they call "unfair competition."

Future of the industry

Where does Italy's orange industry go from here? What can be done to improve the situation?

Currently, it is hard to visualize any improvement. With land prices at \$8,000 to \$10,000 per acre, high interest rates on loans, low productivity per laborer (because of small production units), general underemployment, too many trees per acre (which prevents use of labor-saving equipment), and generally poor marketing facilities, Italy continues to be one of the world's highest cost orange producers. In addition general industry apathy, lack of producer organization, and too great a tolerance in quality-control standards prevent any systematic promotion of varieties more acceptable to domestic or foreign consumers.

The Italian industry's solution to its problems is to press the government to assume all responsibility for maintaining prices and securing markets. The government's solution is to turn to Brussels with an appeal for help, offering no precise plan for what form the help should take. Therefore, it can be anticipated that there will be further problems, more meetings to discuss the problems, and not much hope for immediate solutions.

What are the solutions as we see them? First, there is little that can be done in the short run.

Hong Kong's Perpetual Lifeline: Farm Imports

Britain's Crown Colony, Hong Kong, has a twofold dependency on agricultural imports—food for its population of nearly 4 million and raw material for its leading industry, textile manufacture.

Because of its own small size (less than 400 sq. miles), Hong Kong produces only 10 to 15 percent of its total food requirements. For the same reason, the raw cotton, silk, and wool used in the textile industry are entirely imported. Textile and garment industries employ about 42 percent of Hong Kong's industrial labor force and produce around 44 percent of all exports. The money earned by foreign sales of textiles is one of Hong Kong's economic mainstays.

Trade with neighbors

Traditionally, the biggest share of the colony's food imports is from Mainland China, and until 1967 it had been increasing steadily. In 1967 Mainland China supplied 36 percent of Hong Kong's foreign food purchases. The chief items of trade were live cattle, swine, and poultry, rice, eggs and other dairy products, and fruits and vegetables. But Mainland China's 1967 share of Hong Kong's market for agricultural goods was down 6 percent from 1966. Although Communist-inspired disturbances within Hong Kong had a slight effect on food imports, the chief reason for the reversal in the trade trend was apparently Mao Tse Tung's "cultural revolution" on the mainland. From late July 1967 until mid-September, no substantial rail shipments of food arrived at the Hong Kong border from neighboring Kwangtung Province. This disruption in normal trade allowed many non-traditional suppliers to gain a stronger share of the Hong Kong food market.

Thailand has traditionally been a major supplier of rice to

Second, the long-run solutions needed would be painful and expensive. New quality eating and juice varieties and improved blood orange varieties—acceptable to consumers in various markets—would have to be developed and planted extensively throughout the citrus areas. Replantings would have to be at lower populations to permit the extensive and intensive use of machinery, fertilizer, and pesticides. In certain parts of Sicily the traditional control of the irrigation water supplies would have to be broken.

Stricter quality standards would have to be established to prevent the packers and exporters from substituting up to 10 percent of lower grade fruit in quality fruit packs. The traditional philosophy of creating and maintaining jobs rather than promoting efficiency would have to be discarded—even in the underemployed South.

After these problems were solved, the really big problem of poor distribution—all along the line from the producer to the retailer—could be tackled.

Finally a promotion program would have to be developed to convince the ultimate consumer that quality had been achieved.

In the present domestic atmosphere, however, very few of the actions needed to effect the solutions as we see them are likely to be accomplished. Instead, the Italian orange industry is more likely to continue its present course, receiving stopgap aid from the government or the EEC when things get too bad.

the colony, and in 1967 it sold 223,000 metric tons to Hong Kong. Although 1967 Thai rice sales to Hong Kong were higher than in 1966, supplies and prices were uneven. Because of short crops and rising domestic prices, the Thai Government suspended rice exports during late 1966 and early 1967 and again from October 1967 until early 1968.

The Hong Kong Government, because of the uncertainty of supplies from Thailand and because of decreased rice deliveries from Mainland China (down from 116,000 metric tons in 1966 to 86,000 tons in 1967), encouraged importers to seek other rice sources. The United States and Cambodia became important rice exporters to Hong Kong in late 1967 and the first half of 1968. Cambodian rice sales to the colony jumped from 15,000 metric tons in 1966 to 42,000 in 1967; Hong Kong's imports of U.S. rice leapt from nothing in 1966 to 41,000 metric tons in 1967.

U.S. sales gaining

Food and fiber products from the United States were 13 percent of Hong Kong's total agricultural imports in 1967 and had increased their share of the farm-product market by 4 percent over 1966. The big sales items in 1967 were cotton and rice; in most years cotton, tobacco, and fruit are the U.S. quantity sales goods.

Although rice from the United States benefited from the disruption of normal trade in agricultural products between Mainland China and Hong Kong, the chief reason for the upsurge in U.S. exports was the high purchasing power of Hong Kong's industry and consumers. Cotton, citrus fruit, wheat, animal feeds, and processed foods contributed to increased U.S. sales.

In spite of the political disturbances in 1967 in Hong Kong,

industrial output and exports not only held their ground but increased—particularly textiles. Because of this growth, imports of raw cotton increased, and those from the United States made especially large gains. In crop year 1966-67 (August-July) U.S. exports of raw cotton to Hong Kong were 41,378 metric tons; for the same period in 1967-68 they were 67,511 metric tons.

Another reason for increased U.S. cotton shipments was that the crop available for U. S. export in 1967 had a high proportion of the type preferred by Hong Kong mills.

Hong Kong purchases of U.S. cotton in 1969 will probably be below the 1967 and 1968 levels. Cotton stocks in the colony are high, and arrivals are being held down as mills attempt to work off present supplies.

Other major supplies of raw cotton to Hong Kong during the 1960's have been Kenya, Tanzania, and Uganda, Pakistan, and, some years, Brazil.

Changing diet aids U.S. sales

Hong Kong's upsurge of prosperity is contributing to a change in food consumption habits in the colony. As in many other areas where personal incomes are rising, dependence on cereals is decreasing but demand for poultry, red meat, dairy products, and fruits and vegetables is increasing. The United States may be able to profit from this change in tastes to

expand its share of the growing Hong Kong food market, especially if acceptance of dehydrated, canned, and frozen foods continues to climb.

Three U.S. products that should have bigger sales than in past years are citrus fruit, wheat, and feed concentrates. For example, the general growth in U.S. citrus imports should resume in 1969 after being interrupted by the small U.S. crop in 1967-68. U.S. wheat exports to the colony have gradually been expanding as the local mills become more aware of the types of U.S. wheats available and their uses. Sales of U.S. wheat rose from 18,200 metric tons in 1966 to 30,000 metric tons in 1968. Feed concentrates are being increasingly imported for the use of the growing local poultry-meat industry. As poultry raisers have become more knowledgeable about feeding practices, sales of broiler feed concentrates have climbed.

Licenses and duties

Tobacco and tobacco products are the only agricultural imports on which Hong Kong levies a duty. Incoming tobacco also requires an import license. The duty rate per pound on unmanufactured tobacco from most sources is about US\$1.31.

Imports of frozen poultry require an import license and can only be brought into the colony by registered importers. At present there is no duty on frozen poultry imports.

New Adana Plain Development

Further expansion of agricultural production in Turkey will be made possible by the execution of the second stage of the Seyhan project for irrigation, drainage, and on-farm development in the Adana Plain. For this stage the World Bank and its affiliate the International Development Association (IDA) are lending \$24 million.

At full production the area involved will yield annual increases in cereals, fruit, vegetables, and cotton valued at the equivalent of \$15 million. The Adana Plain, potentially one of the richest areas in Turkey, is located in the south between the Taurus Mountains and the Mediterranean Sea. The whole region is being developed in stages as a multipurpose project comprising flood control, power generation, and irrigation.

The World Bank has been associated with this development for nearly 20 years. In 1952 it made a loan of \$22.8 million for the construction of a dam on the Seyhan River, together with a power plant, transmission system, and some flood control and irrigation works. In 1963 an IDA credit of \$20 million was granted for the first stage of the Seyhan project, which consisted of irrigation and drainage of 152,000 acres and on-farm development of 131,000 acres within this area. This first stage is nearing completion.

The second stage now being financed provides for the irrigation and drainage of 97,000 acres and on-farm development of these and an additional 22,240 acres. The project also includes the construction of a factory for the production of concrete pipe required for the irrigation works and the training abroad of Turkish personnel in irrigation and land-leveling works and in agricultural extension services.

The project is scheduled for completion by March 1975 at a total estimated cost equivalent to \$63 million. The Bank loan and IDA credit will cover the foreign exchange requirements and the remaining costs will be financed by the Turkish Government. Construction contracts and the purchase

of equipment and materials will be on the basis of international competitive bidding.

The Adana Plain is one of the main cotton-producing areas in Turkey, and the cotton-processing and textile industries are of great importance to the economy. Double cropping will be adopted as irrigation is introduced. The area devoted to cotton will be reduced, while output—particularly of long-staple cotton—is increased. Thus larger acreages will be made available for high-value fruit and vegetable crops and for cereals.

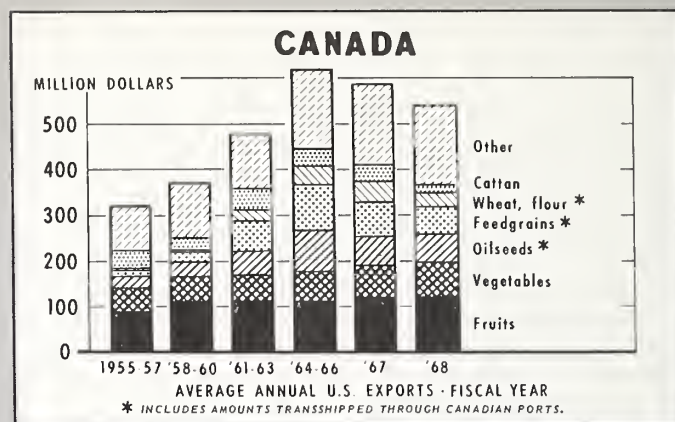
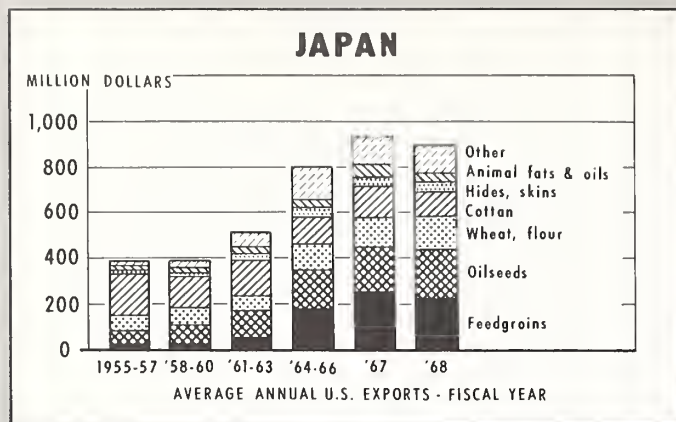
Irish Milk Levy Increased

Ireland's Dairy Produce Board has increased its levy on manufacturing milk from the equivalent of 2 U.S. cents to 3 cents per imperial gallon (about one-fifth larger than a U.S. gallon), effective April 1, 1969. The levy, which is used by the dairy board to offset one-third of its losses on exports and its own administrative costs, is being raised in view of an expected 8-percent increase in manufacturing milk supplies in the coming market year and because of depressed export prices for dairy products.

The previous levy increase—from 1.375 cents to 2 cents per gallon last July—sparked strong farmer demands for greater government support for manufacturing milk. The National Farmers' Association (NFA) and the Irish Creamery Milk Suppliers' Association (ICMSA) temporarily united and demanded as much as 4 cents per gallon more, which they claimed was necessary to compensate their members for the levy increase and greater production costs. The government eventually upped its direct support on manufacturing milk to all but the larger suppliers by 1 cent per gallon.

The NFA claims the latest levy increase will reduce the income of the country's 110,000 dairy farmers by more than \$4.8 million annually.

—Based on dispatch from EUGENE T. RANSOM
U.S. Agricultural Attaché, Dublin



Top U.S. Farm Export Markets Since 1955

By SUSAN A. LIBBIN

Foreign Development and Trade Division
Economic Research Service

During fiscal year 1968 the United States shipped \$6.3 billion worth of farm commodities to over 150 countries. Three-fourths of this total went to the 15 markets for which takings of U.S. farm exports since 1955 are charted here and on page 10. Well over half the total went to the seven leading markets above and at right.

In fiscal 1968 Japan was the top market for U.S. farm products, as it had been for the previous 4 years; it took about one-third of the total shipped to the nine developed countries in the top 15. Other leading developed markets were Canada (No. 2), the Netherlands (No. 4), the United Kingdom (No. 5), West Germany (No. 6), and Italy (No. 7).

The six developing countries among the top 15 markets purchased products mainly under the Food for Peace (P.L.

480) programs. Of these, India—the No. 3 market overall—imported one-third of all P.L. 480 commodities shipped in 1968. In two—Taiwan and Korea—commercial sales of U.S. farm commodities have increased considerably; in Taiwan, commercial sales of U.S. farm products topped P. L. 480 commodity exports for the first time in fiscal 1967.

Japan and Spain, now big dollar markets, were both once major P. L. 480 recipients.

Peak year for U.S. farm exports was fiscal 1967 when they reached \$6.8 billion; this was 44 percent above the annual average for 1955-57 and 8 percent higher than the average for 1964-66.

Asia imports the most

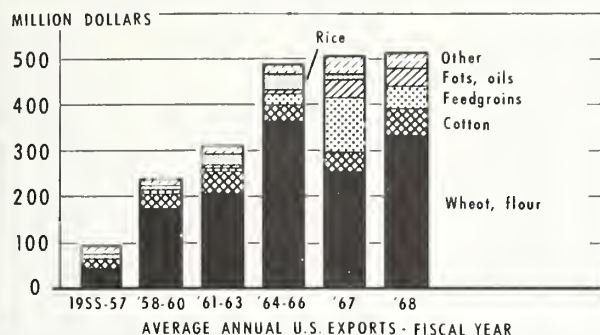
Asia displaced Europe as the largest regional importer of U.S. farm products for the first time in 1968. U.S. farm exports have increased to all major world regions since 1955,

U.S. AGRICULTURAL EXPORTS TO 15 LEADING MARKETS, FISCAL YEARS 1955-68

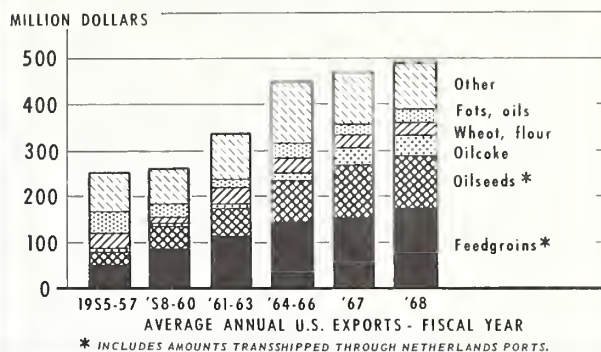
Country ¹	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
Japan	341.5	371.6	457.9	409.1	317.4	440.8	552.8	484.7	510.6	742.2	750.2	913.6	939.1	898.3
Canada	302.5	287.4	373.7	345.3	354.7	410.3	454.7	520.6	517.4	618.3	618.3	629.9	593.8	543.4
India	45.1	40.0	204.9	179.2	250.9	277.7	345.8	235.2	348.4	400.5	528.7	540.9	505.8	511.9
Netherlands ..	252.2	251.2	259.2	209.6	242.4	339.3	324.2	347.7	344.1	413.2	423.5	514.7	472.6	493.2
United Kingdom ..	379.6	394.7	498.3	438.7	399.4	474.4	466.8	460.3	367.4	448.3	417.2	435.0	454.0	397.3
West Germany	243.6	270.2	447.2	326.1	273.5	374.3	320.4	415.3	348.0	410.1	406.4	476.5	494.3	387.2
Italy	100.5	114.6	233.9	158.5	106.7	156.4	214.9	193.8	174.8	218.3	243.3	277.2	211.0	237.6
Korea	49.5	49.4	128.6	105.5	80.2	74.4	75.1	74.4	111.5	108.7	98.5	89.1	116.0	179.9
Pakistan	10.0	48.5	92.9	76.5	45.7	69.0	106.0	82.6	125.4	138.3	168.4	83.0	120.1	169.0
Spain	67.1	125.6	153.2	109.9	127.1	66.3	157.4	126.0	128.0	87.8	127.1	200.6	157.8	158.2
South Vietnam	² 4.8	² 25.8	² 36.7	² 16.8	22.8	18.4	26.3	31.4	32.5	43.6	52.9	102.6	196.0	153.8
France	104.8	84.1	142.5	65.4	64.7	119.1	112.1	99.2	84.5	142.3	145.7	142.4	152.9	144.7
Belgium	94.0	134.3	170.2	120.1	105.1	133.5	130.8	130.3	119.5	150.5	153.1	182.8	179.1	140.1
Taiwan	56.3	51.8	56.4	45.4	52.1	57.2	66.9	72.6	75.6	67.9	84.6	65.1	103.2	121.5
Brazil	21.9	40.3	32.0	27.1	37.0	64.9	69.8	106.5	109.4	100.6	107.0	79.0	103.3	112.2
Total, 15 countries ..	2,073.0	2,289.5	3,287.6	2,633.2	2,479.7	3,075.9	3,424.0	3,380.6	3,397.1	4,090.6	4,324.9	4,732.4	4,799.0	4,647.5
Total, all countries ..	3,144.3	3,492.6	4,723.8	4,002.3	3,718.7	4,527.0	4,945.6	5,040.6	5,078.2	6,074.4	6,097.0	6,680.9	6,761.2	6,315.1

¹ For six of these countries—India, Korea, Pakistan, South Vietnam, Taiwan, and Brazil—substantial amounts of U.S. agricultural shipments are made under government-assistance programs, mainly under Public Law 480. ² Includes some to Laos and Cambodia.

INDIA



NETHERLANDS



but the greatest expansion by far has been in exports to Asia; these reached \$2.5 billion, 40 percent of the total, in 1968, compared with an average of \$900 million yearly, 24 percent of the total, in 1955-57.

Europe purchased nearly \$2.4 billion, or 38 percent, of total U.S. farm exports in fiscal 1968. Peak year for U.S. farm exports to Europe was 1966, when they reached \$2.9 billion, 45 percent above the 1955-57 average.

Latin America was the third leading regional importer of U.S. farm products throughout the 1955-68 period. The loss of the \$100 million Cuban market was more than offset by increased exports to other Latin American countries.

U.S. farm exports to Africa—now fourth ranking regional market—more than tripled from the 1955-57 average to 1966, the record year.

Big three export commodities

Since 1965 the three leading exports, in order, have been wheat, feedgrains, and oilseeds (mostly soybeans). Most of the increase in U.S. farm exports since the mid-1950's was accounted for by these commodities. Wheat and flour exports rose during most of the 1955-62 period, have remained about the same since. Feedgrain and soybean exports have risen steadily since 1955.

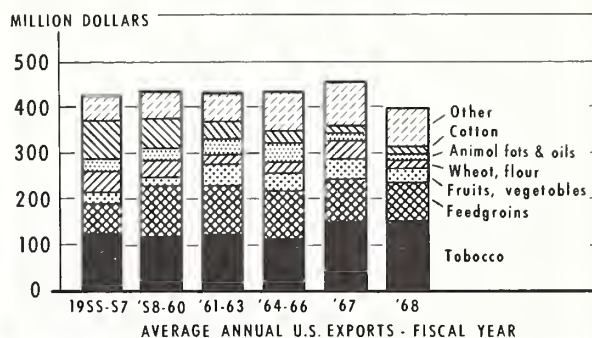
Other notable gains over the past decade were in exports of oilcake and oilmeal, hides and skins, and rice; smaller increases were recorded in exports of fruits, vegetables, and variety meats. Cotton, the leading farm export during the mid-1950's, has trended downward for several years. Exports of tobacco changed little from 1955 through 1965, increased in 1967 and 1968. Exports of fats and oils remained fairly constant during most of the 1955-68 period.

Seven largest markets

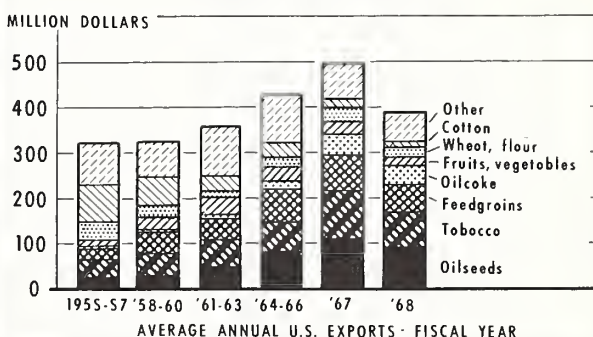
During the 1955-68 period, U.S. agricultural exports trended upward to all of the markets that were leaders in 1968 except the United Kingdom; exports to the United Kingdom remained fairly constant. Largest gains occurred in Japan, India, Canada, and South Vietnam. The United Kingdom was the largest market until 1961, when Japan became No. 1. Japan fell to second place in the 2 succeeding years, moved back to first place in 1964, and has maintained this position since.

Canada was the No. 3 market during most of the 1955-61 years, the top market in 1962 and 1963, and has been second

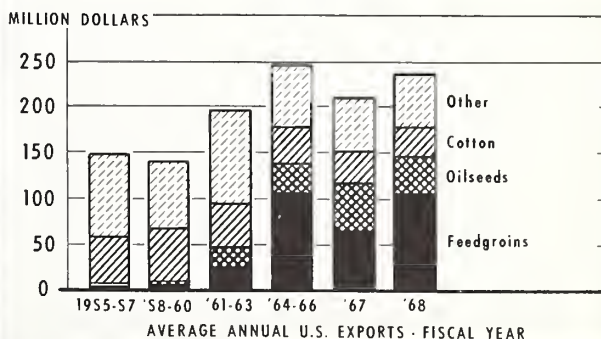
UNITED KINGDOM

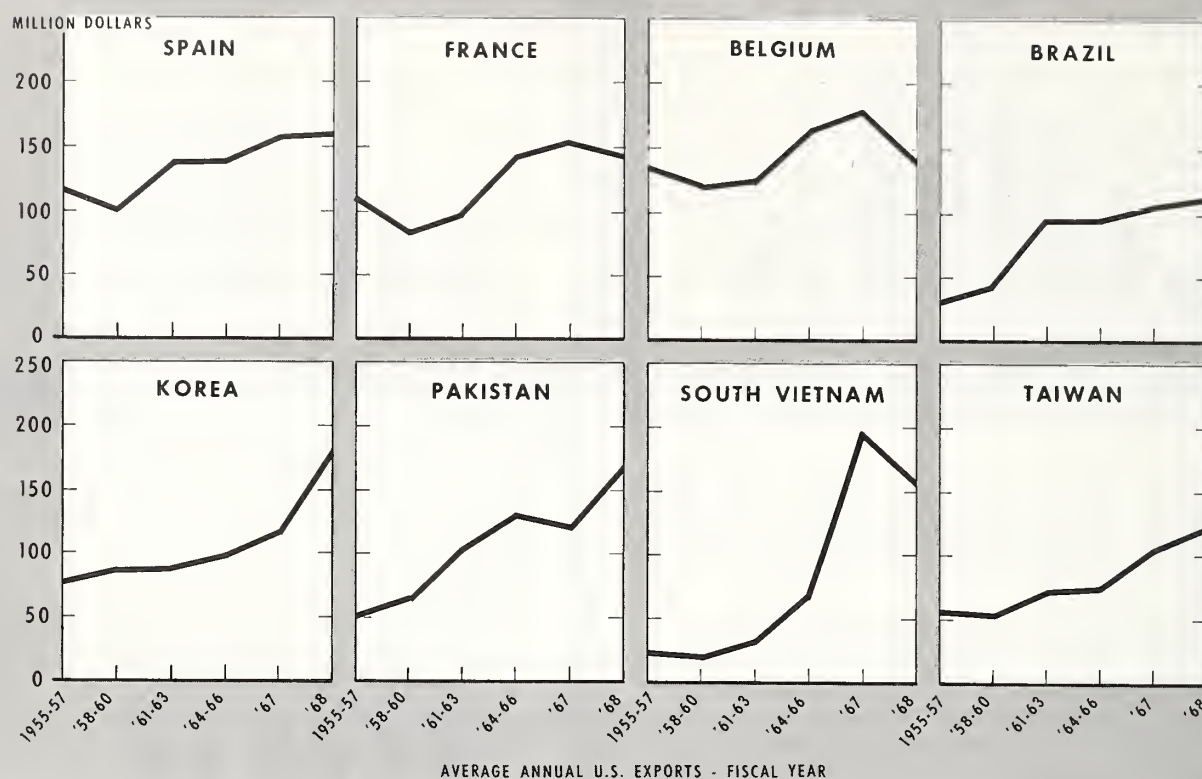


WEST GERMANY



ITALY





since. India has been No. 3 for the past 4 years, having jumped from No. 6 for most of the 1957-64 period. Since 1955 the Netherlands has been the fourth or fifth best customer for U.S. farm exports, and West Germany has ranked fourth, fifth, or sixth. Italy has been No. 7 since 1960.

Japan. U.S. farm exports to Japan reached a record \$939 million in fiscal 1967, more than double the value of those during the 1955-60 period. Feedgrain exports increased the fastest, rising from a yearly average of \$28 million in 1955-60 to \$249 million in 1967. U.S. soybean and wheat exports to Japan also increased substantially. Exports of hides and skins and tallow made smaller gains. The only major decline in U.S. sales of farm products to Japan from 1955-68 was in cotton, which fell from around 40 percent of the total in the mid-1950's to 14 percent in 1968.

Canada. U.S. farm exports to Canada reached a peak of \$630 million in fiscal 1966, double the 1955-57 average. There were increases in U.S. exports of fruits, vegetables, oilseeds, and feedgrains, while cotton tended to decline. The rise in exports of soybeans and grains to Canada is somewhat overstated because Canada ships some U.S. farm exports through its ports to other countries. In 1968, almost all the U.S. wheat and about 25 percent of both the U.S. feedgrains and soybeans exported to Canada were transshipped through Canadian ports to third countries.

India. U.S. farm exports to India reached a high of \$541 million in 1965, more than double the value of such exports in the late 1950's. Wheat and flour have accounted for most of the exports; in 1968 they made up about two-thirds of the

total. Cotton exports, second in importance, have increased slightly since the mid-1950's. Exports of feedgrains and fats and oils have risen substantially in recent years.

Netherlands. U.S. farm exports to the Netherlands reached a record \$515 million in 1966, about double the value exported from 1955-60. Most of the increase was in feedgrain exports, which rose from a yearly average of \$52 million in 1955-57 to \$147 million in 1968. Exports of oilseeds also increased. These increases are overstated by the amount that is transshipped through the Netherlands to third countries. In 1967 about one-third of the total feedgrain exports and almost 60 percent of all oilseed exports to the Netherlands were transshipped to third countries.

United Kingdom. Tobacco and feedgrain made up over half of the total U.S. farm exports to the United Kingdom in 1955-68. Tobacco exports remained at about the same level during 1955-66 but rose substantially in 1967 and stayed high in 1968, accounting for 38 percent of the total in 1968.

West Germany. U.S. farm exports to West Germany reached a record \$494 million in 1967, 35 percent higher than the annual average for 1955-60. Most major agricultural exports increased; exceptions were cotton, fats and oils, and wheat and flour. The largest gain was in exports of oilcake for feed, which rose from almost nothing in 1955-64 to \$43 million in 1968.

Italy. U.S. agricultural exports to Italy hit a high of \$277 million in 1966, almost double the yearly average for 1955-60. Almost the entire increase was due to feedgrain exports, which rose to \$105 million in 1968.

WA, FAS Sponsor Trainees From Asia

Six young men from four Asian countries are now in the United States adding to their homelands' stock of information on U.S. wheat—its marketing and its uses in baking. One was sent by the Food Agency of Japan's Ministry of Agriculture and Forestry, to study U.S. grain marketing. The others—two from Taiwan, two from Korea, one from the Philippines—were selected for advanced training at the American Institute of Baking in Chicago and will return to teach baking at home. Both programs are sponsored by Wheat Associates USA and FAS.

Shigeru Tamesue, an official of the Food Agency, is the second trainee chosen by that agency to study in the United States. Mr. Tamesue left Japan March 11 for a 6-month survey of the U.S. wheat marketing system; he will return armed with all the facts USDA and American wheat growers and traders can muster in aid of the smooth development of U.S.-Japanese grain commerce.

Enrolled in the intensive 5-month AIB course in commercial baking that began February 3 is the largest group yet brought to the United States for advanced



Left, at farewell reception, Trainee Tamesue is second from right. Others (l. to r.): Attaché Elmer Hallowell; Deputy Director General Tanaka, FA; WA officer Richard Baum. Below, Betty Applegate registers AIB Trainees Kim (H.Y.), Lazaro, Kim (C.K.), Koo, and Huang.

baker training. They are Huang Denshan (Sam) and Koo Teh-tsai (T.T.) of Taiwan; Kim Heon-young and Kim Choon-ki of Korea; José M. Lazaro of the Philippines. Mr. Huang, an agricultural chemist with experience in a modern Taiwanese baking plant, and Mr. Koo, a vocational agriculture teacher, placed No. 1 and No. 2 among 30 AIB scholarship applicants. Of the two Messrs. Kim, Heon-young is chief of testing on the milling research staff of a food company, Choon-ki a technician in the food testing laboratory of a flour mill. Mr. Lazaro is a graduate of the Wheat Associates bakers' school in Manila.



Food for Great Open Spaces at Green Week

During Berlin's 1969 Green Week, 367,750 Germans clocked in at the U.S. exhibit with its "Outdoor Living" theme—about 83 percent of the total for the 10-day run ending February 9.

Viewers' attention was caught by the trees, greenery, and pool with live fish; famous American angler Leon Chandler set the hook with flycasting demonstrations. Appetites for outdoor life were sharpened by displays of utensils for open-air cookery and equipment for angling, hunting, boating, and camping.

As in recent years, the exhibit was presented by the United States Information Service with FAS cooperation. German agents for U.S. companies displayed and sold a wide range of processed goods.

At the Marshall-Haus, typical American fare was offered—from turkey sandwiches and fried turkey wing at the busy stand of the Institute for American Poultry Industries, to hamburgers and fish-and-chips at ground-floor snack bars, to a balcony restaurant where diners could stand up for specialties from the charcoal grill or sit down to trout, steaks,

roast turkey, baked ham, and other American delicacies.

Eye-catchers were dry-frozen foods for camper, hunter, and angler, shown by the United States during Green Week for the first time in Berlin. "Evidently a byproduct of space-travel feeding," commented *Die Welt*, continuing, "Refrigerators are unnecessary for these foods; also, they are light-weight and easy to transport. Three-day provisions for eight persons, with three meals a day, weigh only 10 kilograms (about 24 pounds)." Contents of a typical camper package: Applesauce, whole milk, ham, scrambled eggs, and toast for breakfast; chili and beans, biscuits, fruit cocktail, and lemonade for lunch; chicken soup with rice, spaghetti with meatballs, corn bread, chocolate pudding, and a milk shake for dinner. All need only hot water.

Austrian chef Franz Koller, featured at the IAPI stand, was fresh from a triumphant U.S. turkey week at Berlin's KaDeWe (Kaufhaus des Westens) restaurant earlier in January. The menu starred the versatile bird in 11 roles new



Chef Koller slices the big bird.

to Berliners; and table cards directed diners to the "Turkey Shop" and grill at the entrance, where they could choose poultry salads and portions of roast turkey. Turkey shone too in sales at the food department upstairs. Chef Koller's person-to-person promotion technique spread to the KaDeWe waiters, whose advice to diners pushed daily sales of poultry meals from 200 to 650 during the week.

CROPS AND MARKETS SHORTS

Weekly Report on Rotterdam Grain Prices

Between March 4th and March 11th, offer prices of wheat in Rotterdam for Canadian No. 2 Manitoba went down 1 cent and all others remained the same.

U.S. corn and Argentine corn were lowered 2 cents.

Item	March 11	March 4	A year ago
	<i>Dol. per bu.</i>	<i>Dol. per bu.</i>	<i>Dol. per bu.</i>
Wheat:			
Canadian No. 2 Manitoba . . .	2.01	2.02	2.06
USSR SKS-14	1.88	1.88	1.95
U.S. No. 2 Dark Northern			
Spring 14 percent	1.89	1.89	1.96
U.S. No. 2 Hard Winter			
14 percent	1.88	1.88	1.86
Argentine	1.84	1.84	1.89
Australia Prime Hard	1.86	1.86	(¹)
U.S. No. 2 Soft Red Winter . .	1.71	1.71	1.75
Corn:			
U.S. No. 3 Yellow	1.36	1.38	1.39
Argentine Plate	1.38	1.40	1.52

¹ Not quoted.

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

Cotton Output Down in East Africa

Cotton production in East Africa—Tanzania, Uganda, and Kenya—is estimated at 520,000 bales (480 lb. net) in 1968-69 (August-July), compared with 640,000 bales a year earlier and a record harvest of 740,000 bales in 1966-67. Production is down in each of the three countries this season. Tanzanian output is placed at 250,000 bales, down from 320,000 in 1967-68 and the lowest in 4 years. The small crop is attributed to extensive flooding and insect damage. Production in Uganda is estimated at 250,000 bales, compared with 295,000 bales a year earlier and a record high of 370,000 bales in 1964-65. Exceptionally dry weather reduced yields in this country. In Kenya, production is estimated at 20,000 bales, down from 25,000 in 1967-68 because of heavy rains during the early growing period. Area devoted to cotton in the three countries is believed to be near the levels planted to cotton in other recent years.

The East African countries together export a high proportion of their cotton production. For example in 1966-67, the last year of complete data, the three countries exported 729,000 bales or 85 percent of total production. Exports in 1967-68 are estimated at 540,000 bales, and for the current season 440,000 bales. Cotton from the three countries is exported primarily to India, Hong Kong, Japan, Mainland China, West Germany, and the Netherlands.

Cotton consumption in the East African countries in 1968-69 is placed at around 80,000 bales. Tanzanian offtake is estimated at 20,000 bales this season because of additional mill capacity. Consumption in Uganda and Kenya remained relatively steady at 50,000 and 10,000 bales respectively. Although spinning capacity has increased in recent years, the countries of East Africa continue to be net importers of textiles.

Cotton Export Tax Removed in São Paulo

The government of the Brazilian State of São Paulo on February 1, 1969, exempted cotton exports from the State ICM tax. The ICM taxing system permits the States to set export tax rates within limits established by federal law for exports of all primary agricultural products. This action should enhance cotton exports from that State and possibly raise incomes of cotton growers. The action was undoubtedly prompted by the expected record cotton crop in São Paulo.

While the decision was welcomed by São Paulo producers, it is seen as having adverse effects on neighboring cotton producing States, which are also expected to harvest record crops this season. Unless the governments remove or reduce their ICM tax on cotton, the cotton growers in those States will be faced with higher costs for export cotton.

USSR Increases Cotton Prices

Soviet State procurement prices for raw cotton have been increased on the average by 15 percent, according to a March 1, 1969, report in *Pravda Vostoka*.

This price increase follows three successive seasons in which cotton production was steady at around 9.3 million bales. The higher procurement prices will be a strong incentive for further expansion of cotton production in the USSR.

U.S. Exports of Soybeans, Oils, and Meals

U.S. exports of soybeans in January totaled only 1.2 million bushels as a result of the longshoremen's strike at east coast and Gulf ports. Despite the strike, however, the September-January export total of 136.3 million bushels was 7.4 million ahead of shipments during the same period of 1967-68.

Exports of soybean and cottonseed oils were little affected by the strike since oil could be pumped aboard ship without the aid of longshoremen. January exports totaled 65.8 million pounds, an increase of 48 percent over January 1968. The 350.8 million pounds of oil shipped so far this marketing year represented a gain of 7 percent or 21.9 million pounds over exports in October-January of the previous year. Soybean oil exports increased to 318.2 million pounds from 309.3 million a year earlier, and cottonseed oil exports totaled 32.6 million pounds compared with 19.6 million in October-January 1967-68.

Soybean meal exports in January fell to 46,200 tons—84 percent less than the 297,400 tons shipped in January of 1968. Over half of the soybean meal exported went to Canada and the remainder went principally to Yugoslavia and the European Community. October-January exports totaled 857,200 tons, compared with 1.03 million in the same period of the preceding year.

Total cake and meal exports in October-January were 913,700 tons, a decrease of 18 percent from the corresponding 4-month period of 1967-68. In addition to a sharp decline in exports of soybean meal, exports of linseed meal fell to less than half of the previous year's 4-month total.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND OILCAKES AND MEALS

Item and country of destination	Unit	January		Sept.-Jan.	
		1968 ¹	1969 ¹	1967- 68 ¹	1968- 69 ¹
SOYBEANS					
Belgium-Luxembourg	Mil. bu.	0.2	0	4.3	4.3
France	do.	(²)	0	.4	.2
Germany, West	do.	1.8	0	16.6	16.0
Italy	do.	2.0	(²)	8.7	9.3
Netherlands	do.	4.0	.9	22.6	22.0
Total EC	do.	8.0	.9	52.6	51.8
Japan	do.	6.3	.2	29.8	28.3
Canada	do.	.1	.1	11.7	19.0
Spain	do.	3.2	0	12.5	13.6
China, Rep. of	do.	0	0	3.6	7.0
Denmark	do.	2.1	0	8.6	6.6
United Kingdom	do.	.7	0	3.3	2.6
Others	do.	1.4	0	6.8	7.4
Total	do.	21.8	1.2	128.9	136.3
Oil equivalent	Mil. lb.	239.5	13.2	1,416.3	1,496.3
Meal equivalent	1,000 tons	512.7	28.3	3,031.2	3,202.4

EDIBLE OILS		January		Oct.-Jan.	
		1968 ¹	1969 ¹	1967- ¹	1968- ¹
Soybean: ³	Mil. lb.				
India	do.	4.2	0	108.7	112.0
Pakistan	do.	0	52.8	37.3	89.6
Morocco	do.	0	0	2.3	21.7
Chile	do.	0	0	1.3	14.1
Israel	do.	.4	0	19.3	12.2
Iran	do.	0	0	1.0	10.3
Canada	do.	1.0	9	8.3	10.0
Peru	do.	(⁴)	0	2.5	7.0
Vietnam, South	do.	1.6	0	9.9	6.3
Haiti	do.	1.7	1.5	5.3	6.0
Ecuador	do.	1.4	1.1	2.7	4.6
Others	do.	29.7	2.6	110.7	24.4
Total	do.	40.0	58.9	309.3	318.2
Cottonseed: ³					
Venezuela	do.	3.1	6.0	14.4	26.0
Canada	do.	.7	.7	2.8	3.9
Netherlands	do.	.5	0	.5	1.5
Others	do.	.2	.2	1.9	1.2
Total	do.	4.5	6.9	19.6	32.6
Total oils	do.	44.5	65.8	328.9	350.8

CAKES AND MEALS

Soybean:					
Belgium-Luxembourg	1,000 tons	15.8	4.6	121.0	55.4
France	do.	57.6	.4	168.9	123.2
Germany, West	do.	53.8	0	211.4	193.0
Italy	do.	4.6	0	23.0	62.2
Netherlands	do.	84.7	5.6	189.8	141.1
Total EC	do.	216.5	10.6	714.1	574.9
Canada	do.	16.0	23.2	77.6	78.8
Yugoslavia	do.	0	11.2	24.8	39.8
Poland	do.	10.2	0	24.2	34.0
Spain	do.	.2	0	.3	31.4
United Kingdom	do.	10.2	.2	39.1	19.1
Switzerland	do.	1.1	0	1.8	12.4
Ireland	do.	3.5	0	10.4	10.9
Others	do.	39.7	1.0	141.6	55.9
Total	do.	297.4	46.2	1,033.9	857.2
Cottonseed	do.	.1	.5	1.1	1.5
Linseed	do.	5.3	0	64.1	30.0
Total cakes and meals ⁵	do.	305.0	50.6	1,114.5	913.7

¹ Preliminary. ² Less than 50,000 bu. ³ Includes shipments under P.L. 480 as reported by Census. ⁴ Less than 50,000 lb. ⁵ Includes peanut cake and meal and small quantities of other cakes and meals.

Turkish Filbert Estimate Revised

Turkey's 1968 filbert crop is now estimated at only 145,000 short tons in-shell basis—15,000 tons less than earlier estimates. It appears that the earlier figures did not take sufficient account of wind damage late in the growing season. Since beginning stocks on September 1, 1968, were estimated at only 2,000 tons, exportable supplies total only 147,000 tons this season. If this estimate proves accurate, it would be the smallest amount of exportable supplies since 1965-66.

During the 1967-68 marketing year, exports totaled a record 148,017 tons in-shell basis. During September-November 1968, exports totaled 66,022 short tons in-shell basis and consisted of 2,448 tons in-shell and 31,787 tons shelled. In the same period in 1967, 1,814 tons of in-shell and 36,323 tons of shelled nuts were shipped. 1968-69 marketing year exports are forecast at 138,000 tons in-shell basis. The USSR was the largest buyer of in-shell filberts (more than half of the total) and West Germany took half of the shelled filberts during the past season.

TURKEY'S FILBERT SUPPLY AND DISTRIBUTION [In-shell basis]

Item	Average	Annual		
	1962-66	1966-67	1967-68	1968-69
	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>
	<i>short</i>	<i>short</i>	<i>short</i>	<i>short</i>
	<i>tons</i>	<i>tons</i>	<i>tons</i>	<i>tons</i>
Beginning stocks (Sept. 1) .	25.2	25.0	80.0	2.0
Production	142.0	210.0	75.0	145.0
Imports	—	—	—	—
Total supply	167.2	235.0	155.0	147.0
Exports	119.2	140.1	148.0	138.0
Domestic disappearance ¹ . .	10.4	14.9	5.0	7.0
Ending stocks (Aug. 31) . .	37.6	80.0	2.0	2.0
Total distribution	167.2	235.0	155.0	147.0

¹ Includes nuts pressed for oil in some years.

Small Yugoslav Prune Crop

Yugoslavia reports the smallest dried prune crop in 3 years; cold and rainy weather during the initial bloom period cut production of both fresh and dried prunes. Production is currently estimated at 18,000 short tons, 29 percent below the 1967 crop of 25,200 tons and 22 percent below the 5-year 1962-66 average.

Current government policy is aimed at encouraging production of higher quality, larger sized prunes. Guaranteed 1968 government purchasing prices are limited to sterilized prunes dried in modern driers. The guaranteed purchase price is as follows:

Count per pound	Price
	Cents per pound
96-100	19.6
86-95	20.3
85 and larger	21.0

Exports are expected to total about 8 percent below the 1967-68 level of 14,100 tons and 26 percent below average, with the Soviet Bloc continuing to be the major export market. Leading buyer is the USSR, with other large purchasers East Germany, Italy, Czechoslovakia, Austria, and West Germany. Exports during the early part of the 1968-69 season were below the comparable period last year.

SUPPLY AND DISTRIBUTION OF YUGOSLAV DRIED PRUNES

Item	Average 1962-66	1966-67	Pre- limi- nary 1967-68	Forecast 1968-69
	<i>1,000 short tons</i>	<i>1,000 short tons</i>	<i>1,000 short tons</i>	<i>1,000 short tons</i>
Beginning stocks (Oct. 1) ..	8.0	2.3	5.0	6.6
Production	23.1	20.1	25.2	18.0
Imports	—	—	—	—
Total supply	31.1	22.4	30.2	24.6
Exports	17.5	8.1	14.1	13.0
Domestic disappearance	7.9	9.3	9.5	9.6
Ending stocks (Sept. 30) ...	5.7	5.0	6.6	2.0
Total distribution	31.1	22.4	30.2	24.6

U.S. Mohair Exports Increase

U.S. exports of mohair during 1968 totaled 15.9 million pounds, exceeded only by the 1959 high of 18.6 million. Larger shipments were attributed to the significant build-up in stocks from prior clips. The average export price during 1968 was 67.9 cents per pound, compared with 68.9 cents for 1967, 118.5 for 1964, and 115.6 for 1959.

The United Kingdom continues to be the principal export market for U.S. mohair, accounting for slightly over three-fifths of total shipments. Exports to this country in 1968 totaled 9.6 million pounds, compared with 6.5 million in 1967. Other countries which stepped up their takings of U.S. mohair in 1968 included Italy, Japan, Belgium, and West Germany.

The downward trend since 1964 in South African mohair prices reversed itself in the 1968 winter clip. Production in this country along with that for the United States and Turkey shows significant drops from the previous season, and more of the same is in store for calendar 1969 as the number of goats on farms continues downward.

U.S. EXPORTS OF MOHAIR ¹

Country of destination	Average 1961-65	1966	1967	1968 ²
	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>
United Kingdom	5,064	6,829	6,479	9,598
Italy	572	282	781	1,670
Japan	1,362	1,190	608	1,104
Belgium-Luxembourg ..	1,174	661	769	1,062
Germany, West	187	198	217	502
Switzerland	263	133	368	484
Netherlands	1,154	440	375	309
Spain	45	212	262	309
France	42	95	17	260
Mexico	218	384	256	222
Canada	156	203	99	172
China, Rep. of	0	0	0	100
Other countries	49	40	99	127
Total	10,286	10,667	10,330	15,919

¹ Includes other wool-like specialty hair. ² Preliminary.
Bureau of the Census.

Record African Tea Crop

Tea production in Kenya, Uganda, and Tanzania reached record levels in 1968, reflecting expanded acreage and favorable growing conditions. Kenya's tea crop totaled 65.6 million pounds; Uganda's crop reached 33.4 million; and

Tanzania's harvest was 17.5 million pounds.

The record crops of these respective countries boosted total African production in 1968 to an alltime high of over 200 million pounds, despite a slight production shortfall by Malawi and Mozambique. Malawi's 1968 crop was off 2.2 million pounds from the record 1967 outturn of 37.1 million, and Mozambique's production declined by 400,000 pounds from its 1967 record harvest of 31.8 million. African production in 1968 accounted for 9 percent of the total world tea harvest, excluding Mainland China, compared with only 6 percent in 1960.

Mexican Tobacco Output Up Sharply

Mexican tobacco production in 1968 is nearly 137 million pounds, 38 percent higher than the 1967 crop, vastly exceeding earlier predictions. Flue-cured and burley production reflected the major increase.

Extensive experimental work is being conducted by major producing companies and an 18-percent production increase to about 162 million pounds is expected for the 1969 production.

The United States is a major market for Mexico's export of unmanufactured tobacco. In 1967, 6.2 million pounds or about 38 percent of unmanufactured tobacco exports from Mexico went to the United States. Though total tobacco exports were down in 1968, trade sources report that exports will rise sharply to about 24 million pounds in 1969. The United States is also a major market for Mexican cigars and took 63,000 pounds or three-fourths of the total in 1968.

A 1966 regulation restricting all unmanufactured tobacco imports into Mexico has brought on a steady decline, with purchases limited to those made before the regulation. No imports are projected for 1969.

MEXICO'S TOBACCO PRODUCTION

Kind	1967	1968	1969 ¹
	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>
Flue-cured	10,582	16,887	23,810
Burley	22,046	20,371	27,381
Other light	49,604	68,276	67,858
Dark and experimental	16,534	31,151	42,769
Total	98,766	136,685	161,818

¹ Forecast.

Greek 5-Year Tobacco Plan

The position of tobacco in the national economy of Greece has provided concern because of recurring problems affecting the industry. In the last few years, these problems have caused the government to reconsider many points of previous tobacco policies leading to the establishment of strict measures for improvement and restructuring of tobacco production practices in the country. Such measures will be included in the 5-year plan of a new tobacco policy now undergoing preparation by the National Tobacco Board.

The main objectives of the program will be: (1) To adjust production in line with demand through a radical reframing of cultivation; the production of new varieties of oriental tobacco is to be encouraged and the production of burley and flue-cured and smoking tobaccos will be expanded; (2) to avoid, in so far as possible, the stockpiling of surplus tobacco

(now oriental leaf) and to organize more systematic efforts leading to disposal of surplus stocks of the 1963-67 crops; (3) to increase productivity, improve quality, reduce costs, standardize the products, and increase the competitive capacity of Greek tobacco; (4) to further intensify the export drive for tobacco and tobacco products.

Towards the success of this program, the strict application of a poundage system of production control has been established. In addition, the government will also insure the classification of unprocessed leaf according to quality, maintain support prices to supplement the grower's income, introduce a grower's application of the auction system, and encourage growers to mechanize production. Moreover, the 5-year plan calls for an intensification of research, the reorganization of the National Tobacco Board, the provision of assistance to private exporters, and similar measures.

Canada's Flue-Cured Prices

Auction sales of 1968-crop Ontario flue-cured tobacco totaled 142.1 million pounds through February 14, 1969. The average price of sales through that date was 66.1 U.S. cents per pound. For the same period of the 1967 crop season, a total of 140.6 million pounds was sold at an average of 65.0 U.S. cents per pound. The 1968-crop flue-cured tobacco is estimated at 212 million pounds or about 4 percent over the previous crop. Reports indicate a gain in cigarette sales. Imperial Tobacco in Canada, Ltd., indicates that sales of tobacco products in Canada in 1969 are expected to show a gain of about 2 percent from those of 1968. The Canadian tobacco industry reported sales of 46 billion cigarettes in 1968, a 2-percent decline from the 1967 total.

Turkish, Greek Tobacco Exports

Exports of leaf tobacco in 1968, primarily oriental, from both Turkey and Greece were down from the high level of the previous year. Current estimates of production for the 1968 crop are down 12 percent for Turkey and 10 percent for Greece from the previous crop.

In the first 11 months of 1968, exports of unmanufactured leaf from Turkey were about 148 million pounds, down 8 percent from the 161 million pounds in the same period of 1967. Exports from Greece reached about 158 million pounds during 1968, down 20 million pounds or 11 percent from 1967. Shipments to the United States, a major market for both countries, was off 7 percent in 11 months from Turkey and 41 percent for the year from Greece.

Exports to the European Economic Community, of which both Turkey and Greece are associate members, were increased. Shipments to West Germany, the major market within the EEC for both Turkey and Greece, were up substantially in 1968. Almost one-half of Greece's total exports and about 14 percent of Turkey's went to the EEC during 1968.

1968 U.S. Cigarette Exports

U.S. exports of cigarettes in 1968 totaled 26.5 billion pieces, an increase of 12 percent over the 23.7 billion pieces exported in 1967. Exports of cigarettes have continued to increase in recent years and the 1968 volume was about 15 percent higher than the average during the 1960-64 period. The value of U.S. cigarette exports in 1968 was \$134.5 million, an increase of 15.8 percent over the \$116.2 million shipped during the

previous year. About 43 percent of the U.S. cigarette exports in 1968 went to seven major areas including Hong Kong, Spain, Paraguay, Netherlands Antilles, Kuwait, Switzerland, and Panama. Each purchased more cigarettes in 1968 than during the previous year, and more than the average in the 1960-64 period.

U.S. EXPORTS OF CIGARETTES

Destination	Average 1960-64	1966	1967 ¹	1968 ¹
	<i>Million pieces</i>	<i>Million pieces</i>	<i>Million pieces</i>	<i>Million pieces</i>
Hong Kong	1,916.9	2,366.0	2,450.4	2,625.3
Spain	986.7	1,944.1	1,704.3	1,924.0
Paraguay	259.7	1,269.7	1,423.2	1,770.0
Netherlands Antilles ..	1,035.9	1,286.2	1,472.2	1,412.1
Kuwait	1,073.2	1,238.1	1,090.1	1,371.0
Switzerland	467.3	538.5	538.3	1,171.4
Panama	588.4	624.2	759.3	1,033.3
Belgium-Luxembourg ..	989.1	398.9	593.9	993.4
Germany, West	561.4	653.4	720.5	724.2
Colombia	205.5	12.5	30.9	719.3
Italy	715.5	622.4	714.7	693.9
Lebanon	418.0	498.4	639.9	647.3
Netherlands	584.8	606.5	476.5	593.7
Singapore	787.0	501.8	507.9	549.9
Canary Islands	295.6	568.1	545.0	481.2
France	1,418.1	968.7	719.7	471.3
Australia	453.9	451.6	524.1	447.8
Yugoslavia	138.6	337.9	348.2	434.6
Mexico	104.8	190.0	295.4	419.6
United Kingdom	252.5	329.1	353.2	414.1
Japan	444.8	404.2	501.8	386.4
Ecuador	447.5	641.9	561.7	374.1
Denmark	472.5	477.7	520.0	369.2
Morocco	525.8	381.1	556.7	351.2
Canada	253.2	259.6	329.4	315.7
Other	7,657.8	5,886.9	5,273.9	5,814.6
Total	23,054.5	23,457.5	23,651.2	26,508.6
	<i>1,000 dollars</i>	<i>1,000 dollars</i>	<i>1,000 dollars</i>	<i>1,000 dollars</i>
Value	102,400	110,507	116,207	134,485

¹ Preliminary.
Bureau of the Census.

Crops and Markets Index

Cotton

- 12 Cotton Output Down in East Africa
- 12 Cotton Export Tax Removed in Sao Paulo
- 12 USSR Increases Cotton Prices

Fats, Oils, and Oilseeds

- 12 U.S. Exports of Soybeans, Oils, and Meals

Fruits, Vegetables, and Nuts

- 13 Turkish Filbert Estimate Revised
- 13 Small Yugoslav Prune Crop

Grain, Feed, Pulses, and Seeds

- 12 Weekly Report on Rotterdam Grain Prices

Livestock and Meat Products

- 14 U.S. Mohair Exports Increase

Sugar and Tropical Products

- 14 Record African Tea Crop

Tobacco

- 14 Mexican Tobacco Output Up Sharply
- 14 Greek 5-Year Tobacco Plan
- 15 Canada's Flue-Cured Prices
- 15 Turkish, Greek Tobacco Exports
- 15 1968 U.S. Cigarette Exports



To change your address or stop mailing,
tear off this sheet and send to Foreign
Agricultural Service, U.S. Dept. of Agriculture,
Rm. 5918, Washington, D.C. 20250.

Rays of Hope for Declining Philippine Abaca Industry

Although abaca production in the Philippines is expected to continue to decline this year, there are some indications that the decline may not be as great as it has been in the past several years.

Prices have firmed during the past several months, and local demand—particularly from two new paper mills—has improved. The trade expects that this price strength will continue during the early months of 1969. It also expects that world demand for this fiber (for which the Philippines is the principal source) will be greater this year.

Production and demand

Philippine abaca production in 1968, estimated at about 168.7 million pounds, declined 14 percent from 1967, which in turn was 13 percent below 1966. Although information on acreage planted to abaca in crop year 1968-69 is not available from official sources, it is believed that it will be about 457,000 acres, 2.6 percent less than in 1967-68, as the trend of switching from abaca to other crops continues.

Domestic utilization of abaca in 1968 increased substantially over the previous year. Consumption of the fiber in cordage manufacture is still declining, but uses in manufacture of such household articles as hemp squares and rugs are on the uptrend. The biggest boost to domestic consumption resulted from the opening of the two pulp and paper plants—one in mid-1968 and the other late in 1968. One, in Laguna Province is reportedly buying nearly 50 percent of the abaca production in the Bicol area for use in paper manufacture. The other plant, in Mindanao, is said to be using 20 percent abaca for its raw materials.

Domestic consumption in 1968 is estimated to have totaled an equivalent of about 43.5 million pounds. Consumption in

1969 may increase to about 50.2 million pounds.

Exports totaled 126.9 million pounds in 1968, continuing the downtrend of the past 5 years; this was 17 percent below 1967 exports. Of the purchasing countries, only South Korea and South Africa were able to increase their imports in 1968. Exports to the United Kingdom declined 6 percent, and shipments to the United States and Japan—the largest buyers—both dropped 19 percent below 1967.

Outlook

Increased efforts toward industrialization appear to be the major hope for the abaca industry. The establishment of three pulp and paper plants—a third is planned in the Province of Camarines Sur—will give some strength to demand for this fiber. If the program on "cottonization" of abaca started in 1967 by the Abaca Development Board should succeed, the industry would get another shot in the arm; this program, intended to revolutionize the local textile industry by substituting abaca cottonized fiber for synthetics and cotton, is still in a research stage, and success of the research is as yet uncertain.

Under a decision made last year that calls for a selective trade with Communist countries, President Marcos included abaca fiber as one of the possible Philippine exports. It was stated that Communist countries are among the major consumers of abaca but are presently getting their supplies indirectly from the United Kingdom and other Western countries.

So far, however, no trade agreement with Communist countries has been signed, and no direct shipments of abaca have been made.

—Based on dispatch from FRED W. TRAEGER
U.S. Agricultural Attaché, Manila